ANNUAL REPORT
2007/2008



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REPORT OF THE MUNICIPAL

CLLR. T.P. MTHETHWA

It is with great pride that I present the 2007/2008 Jozini Municipality's Annual Report.

The 2008/2009 financial year has been characterized by a number of positive outcomes and challenges in the municipality.

During the year under review, the municipality focused on delivering services and addressing backlog in our communities.

I must commend all councilors in the municipality for ensuring that with few resources at our command , not only retained but grew in the municipal position as the leader in delivering of services in our district. We have continued with limited resource allocation that was based towards sustaining, protecting and growing the standard of living in our areas.

In the interest of the 2010 Soccer world cup that will be hosted in our country, we strongly believe that the increasingly effective community participation programs and our proactive marketing strategies will place us firmly in the running to play a substantial role in the history that will be made in 2010.

It is because of the nature of Jozini Municipality's richness in a diverse number of ways, including what we have to offer as the municipality and the enabling environment that we have created that is starting to draw many more people's attention to our area.

We are starting to be noticed by the big investors and it is hopes that various up market projects will come on stream during the next financial year.

The relationship that the municipality shares with the district municipality was greatly strengthened this year as our Shared Services project gathered momentum. Jozini Municipality has taken a lead in the implementation of the Property Rates Act through the shared services within the district.

Our Council has deliberated on and resolved many challenging issues, all of which were carried out with great respect, honesty and a spirit of cooperation. The many successes achieved by the municipality in this year would not have been as attainable without the participatory and interactive Council structure that we enjoy in this municipality. For this I am extremely grateful and I wish to thank every member of our Council for their unqualified support and dedication during the past year.

To the Municipal Manager, Chief Financial Officer and all officials, I thank you for your consistent and untiring effort in upholding a budget that is geared towards the delivered of services to our people.

"It is because of the nature of Jozini Municipality's richness in a diverse number of ways....that we are starting to draw more people's attention to our area."

GENERAL INFORMATION



2.1 Vision

To improve the quality of life for all residents through the provision of:

- Adequate and appropriate infrastructure;
- Employment and investment opportunities; and
- Social Empowerment in an environmental sustainable manner.

2.2 Mission

We are a municipality committed to:

- Accountable governance;
- Championing development and service delivery.

MEMBERS OF COUNCIL



Cllr. Thembeni P. Mthethwa
Mayor

Cllr. John Siyaya
Deputy Mayor

Cllr. Hleziphi M. Myeni
Speaker

Cllr. Delani P. Mabika
Exco Member

Cllr. Philani J. Mabuyakhulu
Exco Member

Cllr. P.R. Mngomezulu
Exco Member

Cllr. Lindiwe V. Khumalo
Exco Member

Cllr. V.S. Gumede
Council Member

Cllr. B.P. Gumede
Council Member



Cllr. Scelo S. Macwele
Council Member

Cllr. R.S. Gumbi
Council Member

Cllr. L.E. Gumbi
Council Member



Cllr. B.B. Fakude
Council Member

Cllr. N.G. Fakude
Council Member



Cllr. D.T. Khuzwayo
Council Member



Cllr. Roman M. Mathenjwa
Council Member



Cllr. N.G. Mngomezulu
Council Member



Cllr. Nqabakayitshelwayo Mthembu
Council Member

Cllr. E.N. Mthethwa

Council Member

Cllr. W.Z. Mathenjwa

Council Member

Cllr. N.Z. Mpontshane

Council Member



Cllr. R.V. Myeni
Council Member

Cllr. B.N. Mthethwa
Council Member

Cllr. M.P. Mpanza
Council Member







Cllr. B.C. Nsukwini
Council Member

Cllr. T.Z. Nyawo
Council Member

Cllr. M.S.G. Ngcamu
Council Member



Cllr. S.V. Ndlovu

Council Member



Cllr. B.P. Nhlenyama

Council Member

Cllr. E.M. Thabede

Council Member



Cllr. H.T. Zikhali
Council Member

Cllr. M. Zulu
Council Member

Cllr. N.L. Mathenjwa
Council Member

AUDIT COMMITTEE

Dumisani Dlamini

Chairperson: Audit Committee

Mbuyi Ntuli

Audit Committee Member

Lady

Audit Committee Member

REPORT OF THE MUNICIPAL MANAGER

NOEL N.NKOSI

The Municipal Manager is the Accountable Officer in terms of prevailing local government legislation and responsible as Chief Executive Officer for the effective and efficient operations of the Jozini Local Municipality as an institution.

It is the responsibility of the Municipal Manager as "Accounting Officer" to:

Promote sound financial management throughout the municipality;

Be responsible for all income and expenditure, all assets and the discharge of all liabilities;

Ensure compliance with the Municipal Finance Management Act (MFMA) No. 56 of 2003;

Prevent fruitless and wasteful expenditure;

Disclose all information on debts;

Ensure the development and implementation of the Integrated Development Plan (IDP), which consists of five development strategies upon which the annual budget is based.

Ensure the further development and implementation of an automated Performance Management System to measure service delivery in terms of performance indicators of each Key Performance Area (KPA) under the following programmes:

The Integrated Development Plan (IDP) and its 5 key development strategies.

The IDP is divided into five development strategies:

Economically sound municipality;

Effective infrastructure;

Integrated environment;

Leadership excellence; and

People empowerment.

The municipal main sources of revenue are:-

Grants and subsidies from national and provincial governments;

Equitable share from national government;

Service charges from refuse removal;

Interest for investing the municipality's funds and interest charged for services not paid on time by consumers;

Other – including tender deposits and other income collected by the municipality from other service charges e.g. copies and faxing services.

The main support for capital spending is from the Municipal Infrastructure Grant (MIG). About R 7,6 million over two years is directed towards the basic infrastructure services, primarily roads, community halls and Sports fields. There has been a significant contribution to job creation in the rural areas, where the unemployment rate is estimated over 60%.

Other revenue sources include – Project Consolidate Grants and Development Bank of South Africa funding towards addressing priorities, identified through IDP.

Community Services Report

The main responsibility of the Directorate is to promote the well-being of residents or communities within the Municipality through various interventions including inter alia public safety and implementation of human rights programmes.

The main functions are:

Disaster Management and Fire Fighting Services

Operation and Management of Cemeteries

Social and Community Development

Sports and Recreation

Arts and Culture

Youth Development

Implementation of human rights programme.

1. Gender Equality Programme

Due to resource constraints, it was not possible carry out activities on Gender Equality issues, with the exception of the formation of the women's forum.

It is important to dispel a myth that gender equality is only about women empowerment. The role of men

perceived as purely perpetrators of abuse of Women and Children should be prioritised in the gender mainstreaming programme.

2. Youth Development

Similarly, as a result of lack of funding, it was not possible to be proactive on youth development issues. However, Her Worship the Mayor, organised a youth summit and a Youth Day Celebration event.

This event followed a very successful local elimination Games.

It is needless to overemphasise that sport and recreation is a catalyst in terms of keeping people (young and old), fit an d healthy, and distracting them from anti-social practices and delinquent activities. But, in order to implement youth development initiatives effectively, a concerted effort needs to be made to raise funds and lobby the necessary expertise from individual and organisations that specialise in these programmes. This includes other municipalities, sector departments, local, national and international organisations and the business sector.

3. Disability Programme

The municipality was able to constitute a local Disability Forum responsible for disability programmes.

The forum had various meetings during the year 2007/8 to organise and prepare workshops and trainings.

4. Disaster Management

The Shared Services Concept offers the most cost effective means of delivering services to residents through out the district by pooling resources and sharing costs. Services includes fire-fighting and valuation of properties.

Jozini Municipality has identified disaster management as a prime example of such shared service.

5. HIV/Aids Programme

The municipality has a Local Aids Council which is linked to the District Aids Council.

Volunteers were appointed to assist the infected individuals in the municipal wards.

Public Relations Report

During the 2007/8 year a strong emphasis has been placed on communicating with all our varied stakeholders in an open, transparent manner, in order to promote community participation in Council's activities and strengthen stakeholder relations.

Communication Tools

A number of different communication tools were used to promote the Jozini Local Municipality in the public arena as part of the 2007/8 communications strategy.

Roadshows

A total of 6 IDP/Budget Roadshows were held within the municipal boundary involving a cross-functional team from the Technical Services Department, Finance, Planning and the Municipal Manager's Department. Her worship the Mayor was present to deliver the main address at every single road show.

The purpose of the Roadshows was to communicate Jozini's multi-year budget and Integrated Development Plan to the communities it serves, with the objective of achieving community participation in the budget and IDP.

The roadshows also served to create an awareness of the functions and powers of the local municipality and helped engender a culture of payment for services.

An average of 400 people attended each road show, with pre-publicity being done by means of regular broadcast messages on Radio Ukhozi.

The roadshows received an overwhelmingly positive response from communities throughout the municipality. It also highlighted the importance of maintaining face-to-face contact with our communities, as it not only raises the profile of the municipality, but also helps in raising awareness of the individuals who serve the communities, i.e. the Mayor, Councillors, Municipal Manager and municipal officials.

Radio slots

The Mayor also has a monthly, five-minute slot on Radio Ukhozi to talk about matters relating to the Integrated Development Plan and events of interest to our communities.

Snap surveys at the road shows showed that the majority of people in the deep rural areas had heard about them on Radio Ukhozi. Radio is by far the most effective means of communicating with these remote areas as the residents do not have access to newspapers.

Jozini Municipality's website

The Jozini Municipality's website has been upgraded to become user-friendly and attractive, providing a great deal more general information on the municipality, which will in turn enhance our communication with our stakeholders.

Partners for delivery

Our achievements to date highlight the importance of creating a strong bias for action and commitment to implementation at all levels. In so doing, we wish to avoid analysis and planning paralysis while fostering a culture of innovation and creativity amongst all staff.

We believe in continuous monitoring, evaluation and benchmarking of individual, departmental and organizational performance.

I hope the information provided here help to give you insight into the work of the Municipality and the inspiration to support us in all our endeavours.

Our shared vision and strategic leadership is only as good as the teams that implement plans and deliver on the mandates with which the municipality has been entrusted. In the light of this, I extend my thanks to our Mayor, Cllr. T.P. Mthethwa, and all members of the Board for their contribution and unwavering support. Our considerable achievements during the past financial year bear testimony to the leadership of our Mayor who continues to place the development of our community at the top of her agenda.

I would also like to thank the management team behind the implementation of the 2007/8 action plan. Both individually and collectively, they are the true ambassadors of our municipality.

Noel N. Nkosi

Municipal Manager

Jozini Municipality

EXECUTIVE MANAGEMENT



Noel N. Nkosi

Municipal Manager



Jaconia A. Mngomezulu

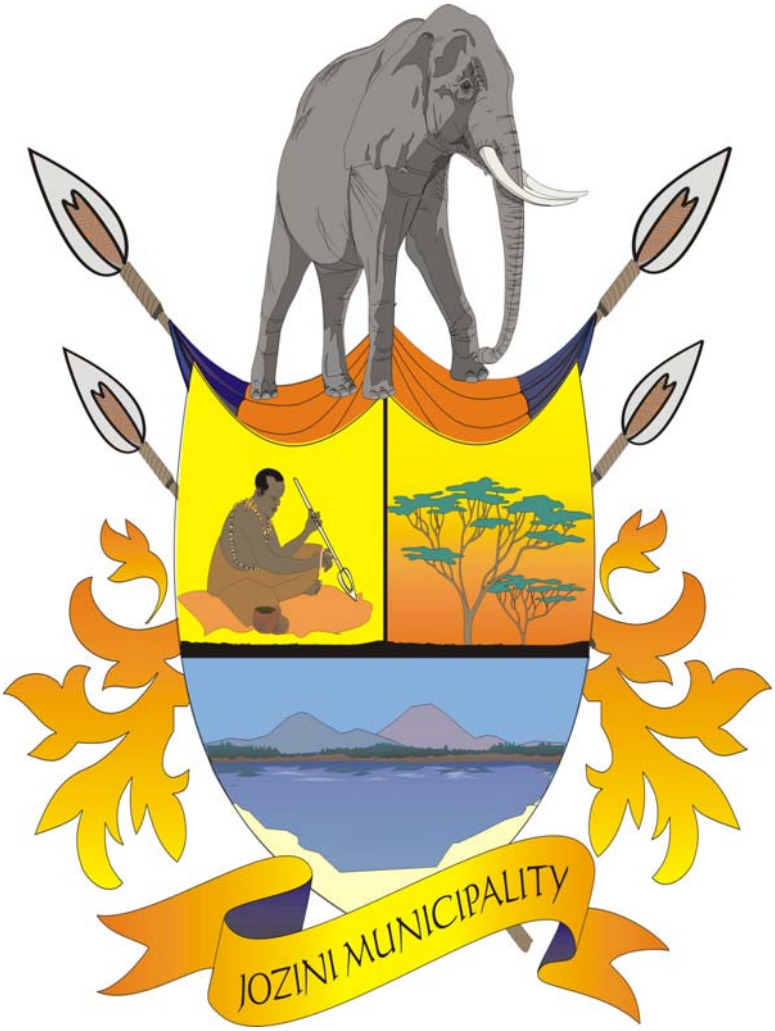
Executive Director: Corporate & Community Services



Thabani V. Mdluli
Chief Financial Officer



Jacobus E. Marais
Executive Director: Planning, Development & Technical Services



JOZINI MUNICIPALITY
AUDITED FINANCIAL STATEMENT
AS AT 30 JUNE 2008

REPORT OF THE MUNICIPAL MANAGER

DUMISANI DLAMINI

We are pleased to present our report for the financial year ended 30 June 2008.

Audit Committee members and attendance

The Audit Committee consists of members listed hereunder and meets four times per annum as per approved terms of reference.

During the year under review two meetings were held.

Name of member	Number of meetings attended
Mr. D. Dlamini - Chairperson	1
Mr. M. Ntuli	1
Ms.	1

Audit Committee responsibility

The Audit Committee reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all it's responsibilities as contained therein.

The effectiveness of internal controls

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the MFMA and the King 11 Report on corporate governance requirements, internal audit provides the Audit Committee and the management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the internal auditors and the audit report of the Auditor General, it was noted that no significant or material non-compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the systems of internal controls for the period under review were effective and efficient.

Evaluation of annual financial statements

The audit committee has:

- Reviewed and discussed the audited annual financial statements to b e included in the Annual Report with the Auditor General and the Accounting Authority;
- Reviewed the Auditor General's management letter and management's response thereto;
- Reviewed changes in accounting policies; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Audit General.

D. Dlamini

Chairperson of the Audit Committee

THABANI V. MDLULI

Objectives

- To implement sound financial policies and procedures that ensures compliance with all applicable statutory and/or regulatory requirements
- To provide a reliable support service to assist the business units in carrying out their strategic objectives in line with statutory and/or regulatory requirements; and
- To ensure that the organisation's activities are aligned with its strategy.

Chief Financial Officer's Overview

Financial Statements

The Municipal Finance Management Act, Section 122, requires municipalities to prepare annual financial statements and this municipality has effectively managed to so for the 2007/2008 financial year.

Budget

The 2007/2008 budget of the municipality was aligned with the IDP, ensuring that all programmes within the IDP are strategically focused.

Revenue

During the review period, all billing accounts per the revenue section were timeously billed for services rendered by the municipality. Although the municipality is 80% grant funded, we have managed to increase our revenue sources.

The municipality established the traffic section that will be functional in 2008/2009 financial year.

The municipality will also be implementing the Property Rates Act as from 1 July 2009.

Debtors

The Revenue section will continue its debt management actions to increase the collection rate and greatly reduce arrears, which will culminate in more revenue for the municipality.

Service Debtors decreased from R14,3 million to R10,9. The one challenge with the collection of revenue is the demographics of the municipality, in that 95% is rural with poor infrastructure that does not allow the municipality to collect revenue. However, this municipality has always fostered a culture of payment for services, and this has paid dividends, with the exception of indigent consumers.

The age analysis records that a considerable portion of service debtors have been outstanding for more than 90 days. The bulk of this pertain to rates, although in terms of council's policy for provisioning, these debtors are fully provided for.

Investments

The municipality's funds are invested in accordance with the Investment Policy approved by Council and are also in line with the Regulations on investments as issued by national Treasury.

The total investment of the Council for the year under review amounted to R 8,7 million cash in bank and R 9,5 million in unlisted investments.

Supply Chain Management

The municipality's procurement of goods and services is in terms of the Supply Chain Management Policy as approved by Council. The most challenge for the Supply Chain Management section is to maintain and adhere to all relevant policies and legislation and to streamline existing processes to enhance service delivery internally and to the community at large.

The training of the Supply Chain Management Committees has been one of a number of shortcomings during the review period. We intend to start training by educating staff from all sections so that they would complete requisitions correctly. Failure to do so will result to many unnecessary audit queries.

Expression of appreciation

It is appropriate that a sincere note of appreciation is expressed to the staff of the municipality, especially those in my department who have provided ongoing support to me for the past financial year. A word of gratitude to the Municipal Manager for his guidance and dedication to the municipality and the community, under whose leadership the municipality continues to grow into one of the most respected in the country.

Thabani Mdluli - *Chief Financial Officer*